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## **BIWEEKLY REPORT**

# **SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS**

EIC-WGR 1/90

20 July 1959

PREPARED BY THE WORKING GROUP  
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES  
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE

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These biweekly reports on "Sino-Soviet Bloc Economic Activities in Underdeveloped Areas" are prepared and issued by a Working Group of the Economic Intelligence Committee, including representatives of the Departments of State, the Army, the Navy, the Air Force, Commerce, and Agriculture; the International Cooperation Administration; the Office of the Secretary of Defense; and the Central Intelligence Agency. Their purpose is to provide up-to-date factual information on significant developments in the economic relations of Sino-Soviet Bloc countries with underdeveloped countries of the Free World. The EIC-R-14 series of reports, under the same title, provide periodic summaries and analytical interpretations of these developments.

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Summary of Events

3 - 16 July 1959

The USSR and Ethiopia have announced in a joint communiqué that agreements have been signed providing for a broad expansion in economic relations between the two countries. Ethiopia accepted a Soviet credit of \$100 million for economic development and concluded a trade pact calling for the exchange of Soviet manufactured goods and petroleum products for Ethiopian agricultural products. Emperor Haile Selassie left Moscow on 13 July for a 4-day visit to Czechoslovakia, where he was expected to discuss further assistance, probably involving military equipment and training.

Guinea and Czechoslovakia have recently signed two economic pacts. The first, a long-term agreement, calls for the exchange of Czechoslovak machinery and consumer goods for Guinean oilseeds, coffee, and bananas. Under the terms of the second agreement, Czechoslovakia will extend to Guinea a long-term credit for the purchase of Czechoslovak capital equipment. Repayment will be made in the form of agricultural products.

Recent Chinese Communist overtures to Guinea, including a gift of 5,000 tons of rice which arrived in Conakry at the end of June, indicate a strong desire on the part of China to establish itself in West Africa.

A Colombian trade mission which has been touring Europe since April in search of new and expanded coffee markets concluded trade agreements in Hungary and Rumania during the last week of June.

Yugoslav-Soviet discussions on the possibility of utilizing about \$298 million in suspended credits began in Belgrade on 6 July. Talks with Czechoslovakia about a credit agreement which expired late in 1958 opened in Prague on 26 June but quickly broke down.

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